

FUND 700

ROUTE 28 TAXING DISTRICT

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2003 Advertised Budget Plan, as approved by the Board of Supervisors on April 29, 2002:

- ◆ The Board of Supervisors made no changes to the FY 2003 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan from January 1, 2002 through April 22, 2002. Included are all adjustments made as part of the FY 2002 Third Quarter Review:

- ◆ The Board of Supervisors made no adjustments to this fund.
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County Executive Proposed FY 2003 Advertised Budget Plan

Purpose

Fairfax County, in partnership with Loudoun County, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. Under Virginia law such a district may be formed only upon the joint petition of owners of at least 51 percent of the land area in each County which is within the boundaries of the proposed district and which has been zoned or is used for commercial or industrial purposes. The District was formed to provide improvements to State Route 28 which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate 66 in western Fairfax County, running approximately parallel to the County's western border. State Route 28 provides access to Dulles International Airport, along with the Dulles Access Road, which connects the Capital Beltway to Dulles International Airport. This District was formed upon landowner petition to accelerate planned highway improvements proposed by the State which relied primarily on slower pay-as-you-go financing from the Northern Virginia region's share of the State primary road fund allocation.

The District, administered by a Commission appointed by the Board of Supervisors of both Counties, may subject the owners of industrial and commercial property within the District to a maximum additional tax assessment of 20 cents per \$100 of assessed value. These funds, in addition to funds received through the State Primary Road Fund allocation formula, are to be used for the road improvements and debt service on bonds issued by the State. Improvements completed for Phase I of the Route 28 project include widening the existing road from two to six lanes and upgrading three major intersections. Any debt issued by the State to fund road improvements in the District will not become an obligation of Fairfax County. Legislation authorizing the issuance of revenue bonds up to \$160.7 million plus issuance expenses to finance the Phase I improvements to Route 28 was enacted during the 1988 Virginia General Assembly and became effective July 1, 1988. This legislation stipulates that the additional tax assessment in the District and funds allocated to the highway construction district, in which Route 28 lies, would reimburse the State for its debt service payments on its bonds. The Commonwealth issued \$138.5 million in revenue bonds for the District in September 1988.

Fairfax County and Loudoun County entered into a contract with the District on September 1, 1988, and agreed to levy an additional tax assessment as requested by the District, collect the tax, and pay all tax revenues to the Commonwealth Transportation Board. The contract specifies that: (1) the County Executive shall include in the budget all amounts to be paid by the County under the District Contract for the fiscal year; (2) the County shall provide by February of each year the total assessed fair market value of the District as of January 1 of that year; and (3) the District in turn shall notify the County of the required payment and request a rate sufficient to collect that amount, up to a maximum of 20 cents per

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\$100 of assessed value. Since tax collections at the maximum amount will not be sufficient initially to pay the debt obligation in full, any difference will be made up from the Northern Virginia State Highway allocation until such time as the District revenues are sufficient to fund debt service in full. It should be noted that the State contributions are capped at \$51,875,000 in total actual payments.

FY 2003 Initiatives

In FY 2003, an amount of \$6,863,962 has been included based on the assessed real estate value in the Route 28 District and estimated tax collections. FY 2001 was the first year in its history that the District was able to pay the entire debt service requirement without State contributions. In accordance with the terms of the contract, the District must pay the full debt requirement for two years before the tax rate can be reduced.

The following table depicts, by fiscal year, the Route 28 Taxing District's total contractual debt service requirement and the sources of funding used to meet the necessary payments. Any interest earned by County funds after payment to the State but before the bond debt service payment is made, is credited to the required debt service payment. Differences required to make up the full debt service payment are shown in the State contribution category. The table is based on the Commonwealth Transportation Board State Route 28 Highway Transportation Improvement District payment invoices, which include payments made through March of each calendar year. Therefore, the amounts reflected below may not equal the actual expenditures indicated on the Fund Statement by fiscal year. The revenue amounts for FY 2001 represent actual special tax revenue, state contributions, and interest earnings through invoice payment 25 dated March 7, 2001. FY 2002 revenues are based on prior year estimates as well as actual interest earnings through invoice payment 26. FY 2003 revenue amounts are estimated.

Revenues Applied to Debt Service						
Fiscal Year	Contractual Debt Service Requirement	Fairfax County ¹	Loudoun County	Treasury Interest Offset ²	Other Available Funds ³	State Contributions ⁴
1989	\$3,622,185	\$2,629,770	\$1,997,482	\$27,179	\$0	\$0
1990	12,058,860	3,597,976	2,922,170	108,236	1,055,925	4,374,553
1991	12,062,020	3,913,442	2,816,801	26,541	0	5,305,236
1992	11,156,134	3,883,498	2,797,151	43,641	0	4,554,866
1993	8,804,182	3,260,266	2,533,051	37,776	449,954	2,523,135
1994	8,805,432	3,465,957	2,275,019	80,978	2,079,418	904,060
1995	8,801,682	3,216,359	1,817,938	27,761	19,607	3,720,017
1996	8,802,932	2,504,128	2,448,631	59,873	9,596	3,780,704
1997	8,801,398	2,209,438	1,672,065	26,011	7,429	4,886,455
1998	8,805,398	2,746,274	1,717,049	39,422	2,535,452	1,767,201
1999	8,803,778	3,432,438	2,037,769	43,446	8,980	3,281,145
2000	8,804,538	4,304,791	2,932,735	65,774	423,967	1,077,271
2001	8,802,676	5,633,012	3,791,072	121,887	743,295	0
2002	8,805,126	6,087,185	4,480,544	106,145		
2003 ⁵	8,801,126	6,863,962	4,480,544			
2004	8,801,026					
2005	8,803,926					

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Revenues Applied to Debt Service						
Fiscal Year	Contractual Debt Service Requirement	Fairfax County ¹	Loudoun County	Treasury Interest Offset ²	Other Available Funds ³	State Contributions ⁴
2006	8,803,926					
2007	8,805,426					
2008	8,802,526					
2009	8,804,626					
2010	8,805,526					
2011	8,804,326					
2012	8,803,526					
2013	8,805,300					
2014	8,803,026					
2015	8,805,400					
2016	8,805,460					
2017	8,801,626					
2018	8,802,226					
Total	\$267,795,339					

¹ Fairfax County payments include rezoning buy out proceeds, as well as scheduled tax collections. These payments are based on State invoices, the calendar for which does not coincide with the County's fiscal year. Therefore, the credited payments will not match the actual payments reflected on the accompanying Fund Statement.

² Treasury Interest Offset includes interest on debt service payments earned by County funds after payment to the State, but before the bond debt service payment is made.

³ Other Available Funds include surplus tax collections from prior years; interest earned on debt service funds while they were held by the Trustee; and/or funds remaining in trust from the original 1988 bond issue or the 1992 refunding bond issue.

⁴ Commonwealth Transportation Board (CTB) contributions are made from the Northern Virginia District Primary Road fund allocation. The Commonwealth Transportation Board bond obligations are capped at a total of \$51,875,000 in actual payments. The total of CTB contribution through October 1, 2001, is \$36,174,643.

⁵ The FY 2003 expenditure amount is shown for planning purposes only. The District will inform the County of the amount needed to fund its contractual obligations for reimbursement of debt service on bonds issued for District highway improvements.

Funding Adjustments

The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan since passage of the FY 2002 Adopted Budget Plan. Included are all adjustments made as part of the FY 2001 Carryover Review and all other approved changes through December 31, 2001:

- ◆ There have been no revisions to this fund since approval of the FY 2002 Adopted Budget Plan.

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FUND STATEMENT

Fund Type G70, Agency Funds

Fund 700, Route 28 Taxing District

	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan
Beginning Balance	\$41,191	\$41,191	\$31,187	\$31,187	\$31,187
Revenue:					
Real Estate Taxes-Current	\$5,530,672	\$6,087,185	\$6,087,185	\$6,863,962	\$6,863,962
Interest on Investments	22,835	0	0	0	0
Total Revenue	\$5,553,507	\$6,087,185	\$6,087,185	\$6,863,962	\$6,863,962
Total Available	\$5,594,698	\$6,128,376	\$6,118,372	\$6,895,149	\$6,895,149
Expenditures:					
Payments to the State	\$5,563,511	\$6,087,185	\$6,087,185	\$6,863,962	\$6,863,962
Total Expenditures	\$5,563,511	\$6,087,185	\$6,087,185	\$6,863,962	\$6,863,962
Total Disbursements	\$5,563,511	\$6,087,185	\$6,087,185	\$6,863,962	\$6,863,962
Ending Balance¹	\$31,187	\$41,191	\$31,187	\$31,187	\$31,187

¹ Accumulated interest earned on investments.